

**DRAFT MINUTES OF THE TOWN OF GILBERT, ARIZONA SELF-INSURED TRUST FUND FOR
HEALTH INSURANCE BENEFITS BOARD OF TRUSTEES MEETING
CONFERENCE ROOM 300, 50 E. CIVIC CENTER DR., GILBERT, ARIZONA
October 24, 2018**

MEMBERS PRESENT: Anthony Panepinto, Chairman
Council Member Jordan Ray– via telephone
Stephanie Perkins
Mary Dellai
Kelly Pfof

MEMBERS ABSENT: None

STAFF PRESENT: Kristen Drew, Human Resources Manager
Jolean Fleck, Human Resources Director
Donna Pedrera, Sr. Human Resources Analyst
Denise Chavez, Benefits Specialist
Cris Welch, Budget Analyst
David Pock, Assistant Accounting Manager
Anthony St. George, Senior Accountant

GUESTS PRESENT: Kerrin Matousek, Willis Towers Watson
Stephen Doyle, Willis Towers Watson
Ray Eveleth, Aetna
Austin Hackett, Aetna
Rushabh Shah, Aetna

1. Call to Order

Chairman Panepinto called the meeting to order at 5:08 PM.

2. Roll Call

Ms. Pedrera called roll and a quorum was declared.

3. Oath of Office

Ms. Pedrera gave the Oath of Office to Tony Panepinto for the term of October 1, 2018 through September 3, 2021.

4. Communication from Citizens

None

5. Financial Reports

Discussion, possible action by motion.

Mr. St. George reviewed the final unaudited financial reports for the 4th quarter of FY2018, which includes year-end adjustments and show a positive net position of \$3.9M in the health fund and \$581K in the dental

fund. He also reviewed financial reports for the 1st quarter of FY2019 which show a positive net position of \$4.2M in the health fund and \$523K in the dental fund.

Ms. Pfost motioned to approve the financials as presented and Ms. Dellai seconded the motion. The motion passed 5 – 0.

6. Review of Plan Dashboard

Discussion only.

Mr. Doyle reviewed the plan dashboard noting medical claims down 17% and pharmacy claims down 2.3% compared to the same quarter last year. There are five claimants over \$50K, which is higher than the same quarter last year. Of the five, two may be ongoing and will be monitored. None has reached the stop loss threshold of \$250K at this point. Overall, plan is performing well with increased enrollment up 4.6% over last year.

7. FY20 Plan Discussions

Discussion only.

Ms. Drew stated that although the fund is doing well, it is still in recovery mode. There have been many changes to the plan designs over the last few years and claims seem stable now with no specific need to make any major changes to plan design. The suggested plan design changes are preliminary and include additions that align with the Human Rights Commission and the Municipal Equality Index Score. Those would be transgender reassignment surgery and domestic partner benefits. Specific costs and parameters will be presented at the January meeting.

The main changes being evaluated by staff are in the area of pharmacy costs. These costs are increasing nationally, and although Gilbert is doing better than others, there is still room for improvement. Changes may include switching to a standard formulary, adding formulary exclusions, adding mandatory maintenance options and changing tier pricing. Staff would continue with consumer education such as making members aware of cost differences between pharmacies. Staff is working with Aetna on a disruption report to identify the effects of these possible changes, as well as estimated savings.

There was some discussion with the Board and they requested that Aetna price out various tier options for the next meeting. Aetna confirmed the standard formulary would likely increase rebates and that there is no change to the exception process with any of the potential changes.

Staff will continue to prepare recommendations for the January meeting.

8. Staff Update and Future Agenda Items

Discussion only.

Ms. Drew shared that staff brought in a mobile dental office and has a health fair on November 13. They have begun working on the implementation of BenefitFocus, automated enrollment system, and is working on open enrollment for flexible spending November 5 through November 19.

There are no pending issues for November and December, so the next meeting will be January 23, 2019, with quarterly financials and recommendation of FY20 plan design options. A February meeting will also be scheduled in case it is needed for additional plan design discussions.

9. Approval of Minutes of Prior Meetings

Motion to approve Minutes

Mr. Panepinto motioned to approve the minutes of the meeting on July 25, 2018. Ms. Dellai seconded the motion. The motion passed 5 – 0.

The next meeting of the Health Trust is scheduled for January 23, 2019 at 5:00pm.

10. Adjournment

Motion to adjourn.

Ms. Pfost motioned to adjourn the meeting. Ms. Dellai seconded the motion. The motion passed 5-0. The meeting adjourned at 5:50 PM.

Anthony Panepinto, Chairman

ATTEST: _____
Kristen Drew
Human Resources, Benefits Manager